

Advanced Management Program

Improve Effectiveness/Efficiencies
in the DoD Procurement Process

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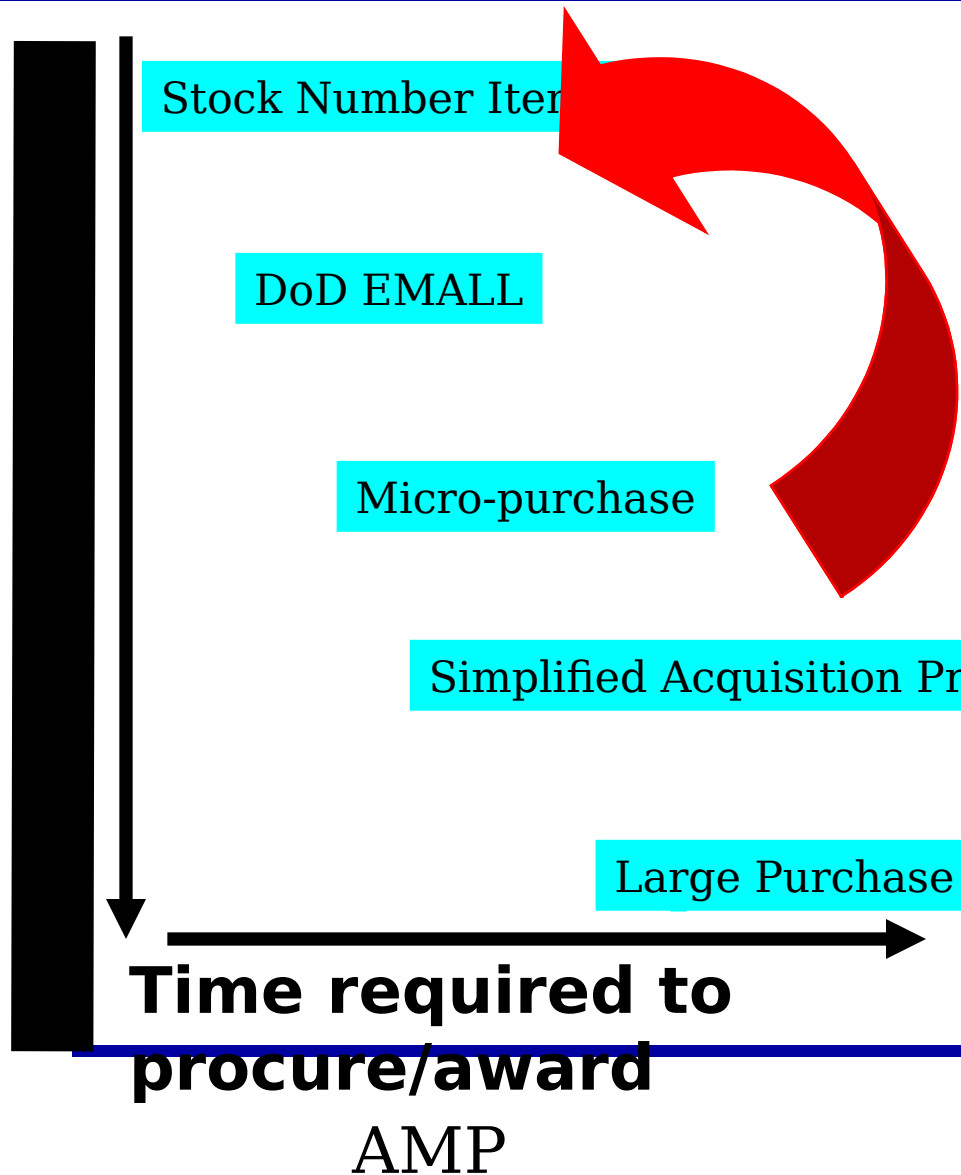
Solutions R Us
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Current State

- \$10B shortfall within DON
- Transformation has reduced manning levels in P
- Micro Purchase threshold established 1994
- DON haphazardly using current resources for pu
 - Personnel
 - Processes

Proposed State



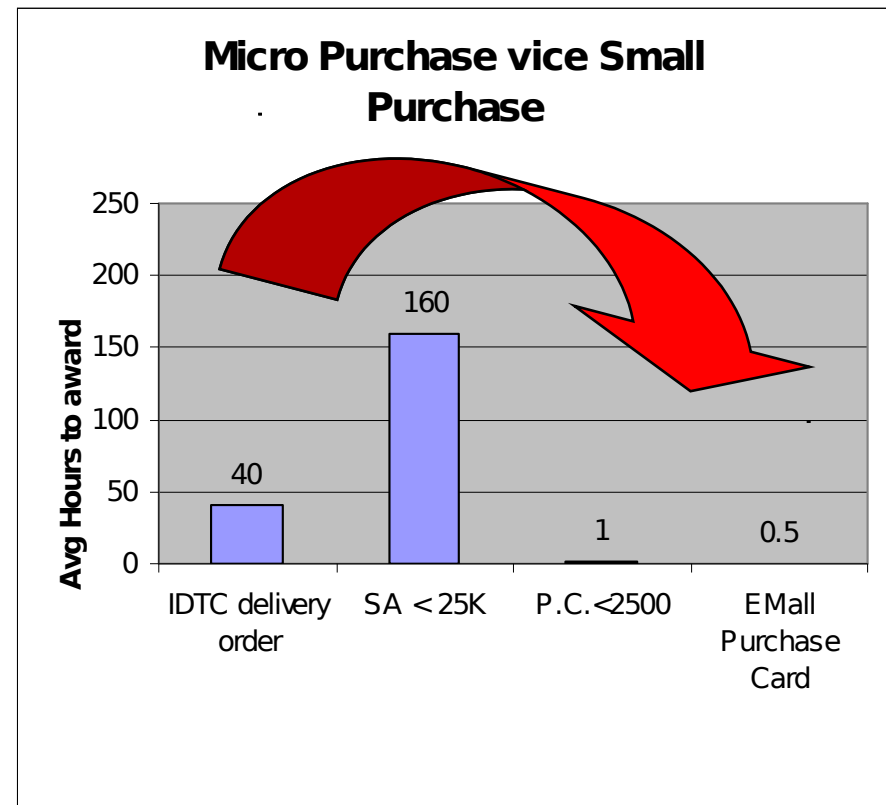
- Increase the micro-purchase threshold
- Increase the use of DoD EMALL
- Increase use of MILSTRIP on EMALL
- Expand the use of existing Contracting vehicles
- Remove barriers for using existing contracting vehicles



Increase the Micro-Purchase Threshold

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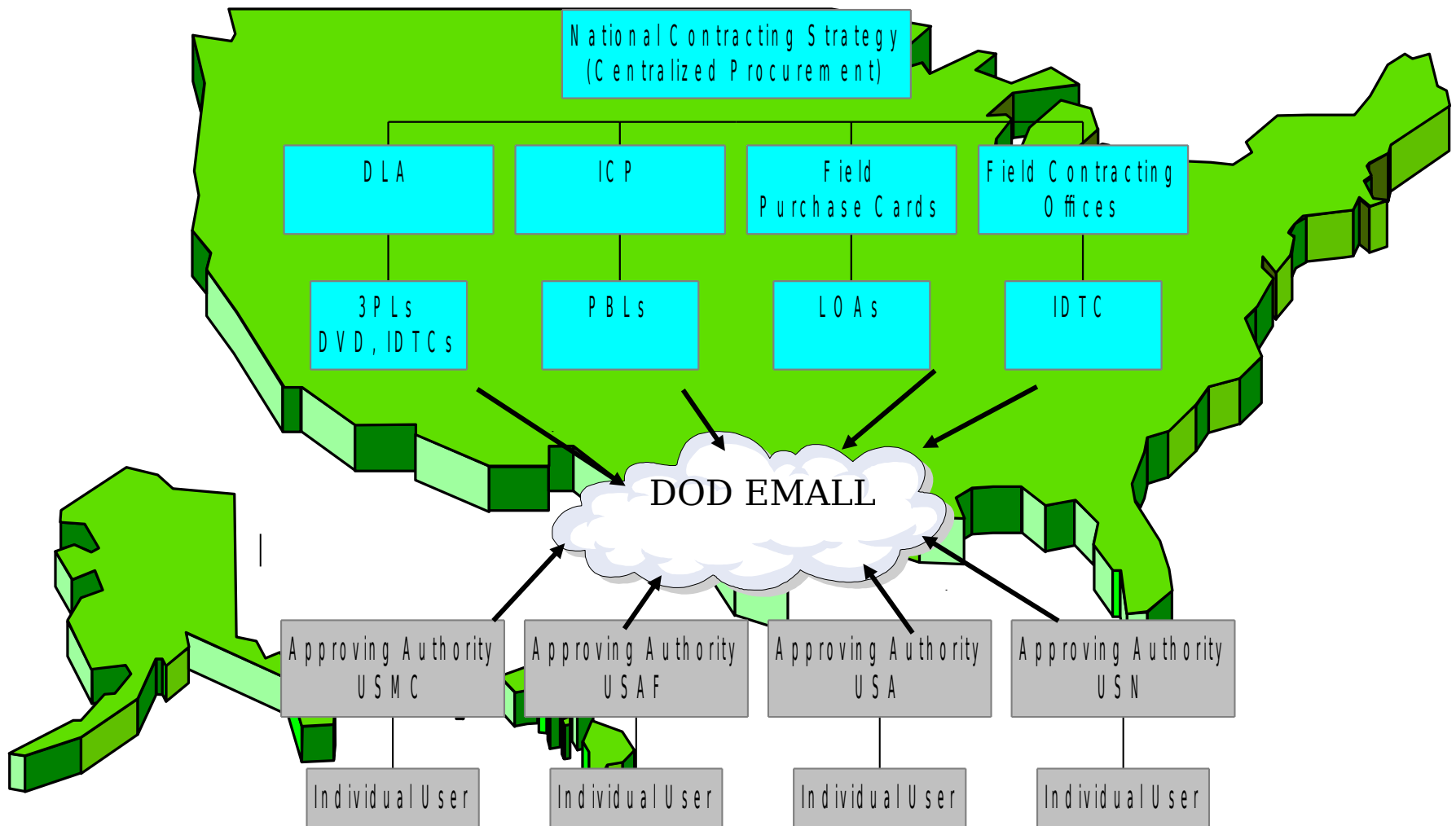
- ◆ Increase purchase threshold to \$5K
 - Threshold has not changed in ten years
 - Monetary thresholds have changed with the economy for other programs (capital equipment, and minor construction)
 - Average purchase price per procurement increased by 30% in the past 5 years
 - 1% increase in Government Purchase Card (GPC) use will generate \$3M in savings for DON



Maximize DOD EMALL Utilization

- ◆ Readily identifies mandatory sources of supply
- ◆ Maximizes use of existing contracts
- ◆ EMALL alternative GPC card holder identifying source (Amazon)
- ◆ Alternative for interfund purchases
 - Does not require specialized training
- ◆ Joint DoD purchasing vehicle
- ◆ Reduce the potential for unauthorized or questionable purchases

DOD EMALL Vision



Expand Contracting Vehicles

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- ◆ Populate DOD EMALL data base
- ◆ Reduces redundant contracts across DoD
- ◆ Leverage DoD buying power
- ◆ Leverage volume discounts
- ◆ Increases number of sources for buyers
- ◆ Increases competition between vendors
- ◆ Streamline procurement process for commercial items

Recommended Actions

- ◆ Raise micro purchase threshold from \$2,500 to \$5,000
- ◆ Promote the use of EMALL and utilize MILSTRIP as primary form of payment
- ◆ Populate DoD EMALL with all applicable contracts to all access across DoD

Bridge to Transformation



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